

Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

December 20, 2000

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TO:

Lowell P. Braxton, Director

THRU:

Mary Ann Wright, Associate Director

THRU:

D. Wayne Hedberg, Permit Supervisor

FROM:

Tom Munson, Senior Reclamation Specialist

RE:

Request for Approval, Amount and Form of Reclamation Surety, Cargill Salt, Timpie

Solar Ponds, M/045/030, Tooele County, Utah

The Division finalized the review of Cargill's Timpie Solar Ponds Mine, located in Tooele County, Utah and tentative approval was granted. The tentative approval notice was sent to the local newspapers on 9/1/2000 to begin a 30-day public comment period. No adverse comments were received for this project.

The operator has provided the Division with a Reclamation Contract and surety bond #400SD3124, issued by St. Paul Fire and Marine Insurance Co. in the amount of \$1,919,000. The surety company is on the federal register listing of acceptable bonding companies. The Division's legal counsel has reviewed the forms for accuracy.

If you are in agreement with the acceptance of the reclamation surety please sign and date the documents. We will then issue final Division approval for the Timpie Solar Ponds Mine. Thank you for your consideration of this request. Approved LIB 12-21-00

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Enclosure: MR-RC & surety

M45-30-mem

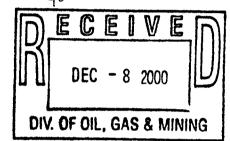
FORM MR-RC Revised January 18, 2000 RECLAMATION CONTRACT File Number M/045/030 Effective Date / Use 21 2000

Other Agency File Number & M -

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STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES **DIVISION of OIL, GAS and MINING**

1594 West North Temple Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5291 Fax: (801) 359-3940



RECLAMATION CONTRACT ---00000---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/045/030</u>
(Mineral Mined)	Salt (NaCl)

(NaCl)

"MINE LOCATION":

Cargill Salt (Name of Mine) 15100 West Rowley Road (Description) Grantsville, UT 84074

"DISTURBED AREA": (Disturbed Acres) 17,253 Acres

(refer to Attachment "A") (Legal Description)

"OPERATOR":

Cargill, Incorporated, Salt Division (Company or Name)

(Address) 15100 West Rowley Road Grantsville, UT 84074

(435) 884-0123 (Phone)

"OPERATOR'S REGISTERED AGENT":	
(Name)	C.T. Corporation
(Address)	50 West Broadway 8th Floor
	Salt Lake City, Utah 84101
(Phone)	(801) 364-5101
"OPERATOR'S OFFICER(S)":	Gregory M. Wold Vice President
	Michael G. Venker Vice President
	Larry Overstreet Vice President
"SURETY":	
(Form of Surety - Attachment B)	Joint Agency Surety
"SURETY COMPANY":	
(Name, Policy or Acct. No.)	St. Paul Fire & Marine Insurance Co
"SURETY AMOUNT":	
(Escalated Dollars)	\$1,919,000.00
"ESCALATION YEAR":	2005
"STATE":	State of Utah
"DIVISION":	Division of Oil, Gas and Mining
"BOARD":	Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between <u>Cargill, Incorporated, Salt Division</u> the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045/030 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

Page 2 of 7 Revised January 18, 2000 Form MR-RC NOW, THEREFORE, the Division and the Operator agree as follows:

1.	Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention			
	dated January 18, 1991	_, and the original		
	Reclamation Plan dated January 18, 1991	The Notice of Intention as		
	amended, and the Reclamation Plan, as amend	ed, are incorporated by this		
	reference and made a part hereof.			

- 2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
- Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
- 4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
- 5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
- 6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

- 7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
- 8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
- 9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
- 10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
- 11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
- 12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
- 13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
- 14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:	
Cargill, Incorporated, Salt Division Operator Name	
By Gregory M. Wold Authorized Officer (Typed or Printed)	
Vice President Authorized Officer - Position	
Officer's Signature	น (เ7 (๑๑ Date
STATE OF <u>Minnesota</u>) COUNTY OF <u>Hennepin</u>	ss: .
On the	uly sworn did say that he/she is the rporated, Salt Division s signed on behalf of said company by d of directors and said
	Notary Public Residing at Hennepin County
Jan. 31, 2005 My Commission Expires:	ROBIN A. RIES HOTARY PUBLIC - MINNESOTA thy Commission Expires Jan. 21, 2005

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Page <u>5</u> of <u>7</u> Revised January 18, 2000 Form MR-RC

DIVISION OF OIL, GAS AND MINING:

By Jamue & Brafta Lowell P. Braxton, Director	12-21-00 Date
STATE OF <u>Utah</u> COUNTY OF <u>Salt Lake</u>)) ss:)
On the <u>21</u> day of <u>December</u> personally appeared before me, who being <u>Lowell P. Braxton</u> is the Mining, Department of Natural Resources, Sedged to me that he street executed the foregon of the State of Utah.	duly sworn did say that he/she, the said Director of the Division of Oil, Gas and tate of Utah, and he/she duly acknowl-
NOTARY PUBLIC VICTORIA A. BAILEY 1594 W. N. Temple #1210 Salt Lake City, UT 84116 My Commission Expires February 29, 2004 STATE OF UTAM	Notary Public Residing at: Sact Lake City, UT

February 29, 2004 My Commission Expires:

ATTACHMENT "A"

Cargill, Incorporated	<u>Cargill Salt</u>	
Operator	Mine Name	
M/045/030	M/045/030	County, Utah
Permit Number		

The legal description of lands to be disturbed is:

_	•	
	Township 1 South, Rar	nge 7 West
	N1/2	Section 4
	All	Section 5
	All	Section 6
	N1/2	Section 7
	N1/2	Section 8
	Township 1 North, Ran	ge 7 West
	S1/2	Section 28
	S1/2	Section 29
	S1/2	Section 30
	All	Section 31
	All	Section 32
	All	Section 33
	W1/2 & S1/2	Section 34
	Township 1 South, Rar	nge 8 West
	N1/2 of E1/2	Section 4
	All	Section 3
	All	Section 2
	All	Section 1
	NE1/4 of NE1/4	Section 12
	Township 1 North, Ran	ge 8 West
	S1/2	Section 25
	S1/2	Section 26
	S1/2	Section 27
	SW1/4 of S1/2	Section 28
	E1/2	Section 33
	All	Section 34
	All	Section 35
	All	Section 36

The majority of the affected area is comprised of solar evaporation ponds formed by dikes within the lake bed of the Great Salt Lake. The majority of the reclamation will take place on approximately 63.5 acres of the processing facilities area, as detailed on the "Salt Washing Plant & Related Facilities" map received 3/14/2000 and the "Pond System Area Distribution" map received 10/2/2000.

ATTACHMENT B

FORM MR-6 Joint Agency Surety Form (January 18, 2000) Bond Number M / 045 / 030

Mine Name Cargill Salt

Other Agency File Number

STATE OF UTAH

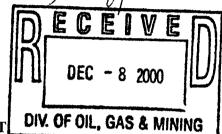
DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining

1594 West North Temple Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801

> Telephone: (801) 538-5291 Fax: (801) 359-3940

THE MINED LAND RECLAMATION ACT



SURETY BOND

The undersigned <u>Cargill, Incorporated, Salt Division</u> as Principal, and <u>St. Paul Fire & Marine Insurance Company</u> as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the <u>Schooland Institutional Trust Administration & USDOI(BLM)</u>, in the penal sum of <u>One Million Nine Hundred Nineteen Thousand and no/100---dollars (\$1,919,000.00)</u>.

Principal has estimated in the Mining and Reclamation Plan approved by the Division of Oil, Gas and Mining on the <u>22nd</u> day of <u>December</u>, 20 00, that <u>17,253</u> acres of land will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

Page 2 FORM MR-6 Joint Agency Surety Form (January 18, 2000)

Bond Number_				
Permit Number_	M / 045 / 030			
Mine Name Cargill Salt				
Other Agency File Number_				

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

the dates set form below.	
Cargill, Incorporated, Salt Division Principal (Permittee)	ATTEST January Smith
By (Name typed): V.P. OPERATIONS Title	Jeanne Y. Smith Assistant Correte Sacrotary
Signature Surety Company	Date
St. Paul Fire & Marine Insurance Company Company Officer	408 St. Peter Street, Suite #300 Surety Company Address
Matthew Forsti; Attorney-in-Fact Title/Position	St. Paul, MN 55102 City State, Zip
Signature Signature	November 14, 2000 Date

Page 3 FORM MR-6 Joint Agency Surety Form (January 18, 2000) Bond Number _____
Permit Number ____M / 045 / 030 _____
Mine Name ____Cargill Salt _____
Other Agency File Number _____

SO AGREED this 2 day of December, 2000

Lowell P. Braxton, Director

Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

Page 4 FORM MR-6 **Joint Agency Surety Form** (January 18, 2000)

Bond Number_	<u></u>				
Permit Number_	M / 045 / 030				
Mine Name Cargill Salt					
Other Agency File Number					

AFFIDAVIT OF QUALIFICATION

On the	1 / th	day of	November		20.00 margo	nolly oppos	rad hafora ma
Matthew Forsti	14	_ day 01	who being by	me duly s	, 20 <u>00,</u> perso: worn did sav	iiaiiy appeai that he/she	red before me
Matthew Forsti	is the	Attorney-	in-Fact	of	St Paul Fire	& Marine I	nsurance Comany
and duly ack	owled	ged that said	d instrument wa	as signed	on behalf of s	aid compan	y by authority of it
bylaws or a resolution	n of its	board of di	rectors and said	d <u>Mat</u>	thew Forsti	duly acknowledge	owledged to me
that said company ex	ecuted	the same, a	nd that he/she	is duly au	thorized to ex	ecute and de	eliver the foregoing
obligations; that said	Surety	is authorize	ed to execute th	ne same ar	nd has compli	ed in all res	pects with the laws
of Utah in reference	to beco	ming sole s	urety upon bon	ds, under	taking and obl	ligations.	
			Sid	med: N	Matthew Forst Officer	: Mais	lend to
			318	Surety	Officer		- July
					oney-in-Fact		
		,					
STATE OF Minn	<u>esota</u>) ss:					
COUNTY OF He	nnepin	,					
"		,					
Subscribed and swor	n to be	fore me this	14 th day	of No	vember , i	20 00 .	
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My Commission Exp	ires:				ŕ		
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1-31	20 0	5—					

#### POWER OF ATTORNEY

Seaboard Surety Company St. Paul Fire and Marine Insurance Company St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company

**United States Fidelity and Guaranty Company** Fidelity and Guaranty Insurance Company Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No.

21391

Certificate No.

500786

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Shelby Wintz, Marata Nicolopoulos, Charyl Cherryhomes, Matthew Forsti and Erin Dooley

contracts and other	written instruments in the	, State, state	the Companies in the	eir business of gua	and acknowledge aranteeing the fide	lity of persons, g	s, undertakings.
IN WITNESS WH	EREOF, the Companies	have caused this instrument to	be signed and sealed	this <u>14th</u>	_ day ofDec	ember	, <u>1999</u>
State of Maryland	St. Paul Fi St. Paul G	Surety Company re and Marine Insurance Con uardian Insurance Company ercury Insurance Company	1977)	Fidelity and G	Mila	PE Company The Underwriters,  F. Hun  JOHN F. PHINNE  R. HCV	EY, Vice President
On this							
	of, I hereunto set my hand pires the 13th day of July	(2)	NOTARY PUBLIC ORE CITY SE			<b>Kasl</b> y - <b>0,</b>	

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. on September 2, 1998, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or any Vice President, or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company, and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached; and

RESOLVED FURTHER, that Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, Michael R. McKibben, Assistant Secretary of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been-revoked.

IN TESTIMONY WHEREOF, I hereunto set my hand this

4th day of

November

2000

1927













Milal R. McKilber

Michael R. McKibben, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 and ask for the Power of Attorney clerk. Please refer to the Power of Attorney number, the above-named individuals and the details of the bond to which the power is attached.